

Arizona 2012 Tourism Facts

Year-end Summary





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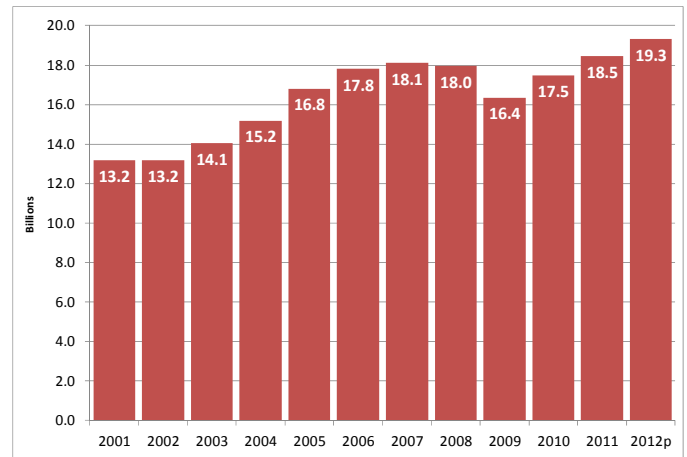
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This report summarizes the performance of the Arizona tourism industry in 2012. Areas highlighted are: economic impact, visitation volume and profile data, lodging performance, National and State Park visitation volume and airport passenger traffic.

2012 Overnight Visitation Summary

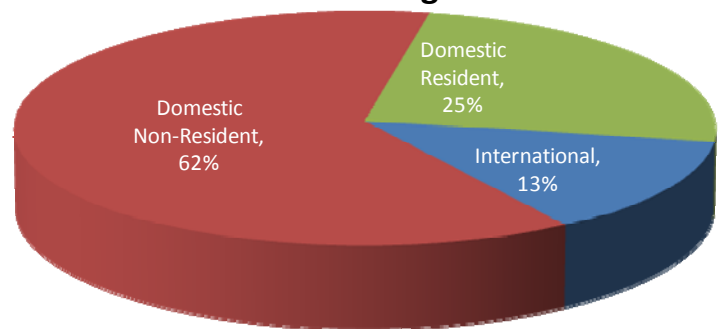
- Direct travel spending by all Arizona visitors increased 4.6 percent to \$19.3 billion in 2012.
- Direct travel spending in Arizona generated \$1.6 billion in local and state tax revenues and \$1.0 billion in federal tax revenues during 2012.
- Travel spending in Arizona generated a direct impact of 161,300 jobs with earnings of \$5.4 billion in 2012.
- Arizona hosted 38.1 million domestic and international overnight visitors, equal to roughly 104,000 visitors per day in 2012.
- Domestic non-residents made up the largest share of overnight visitors (62 percent) to Arizona with 23.8 million visitors in 2012. The second largest visitor segment was Arizona residents with 9.4 million overnight visitors, representing 25 percent of the market.
- 13 percent of Arizona's overnight visitation was made up of 5.0 million international overnight visitors in 2012.

Direct Travel Spending - 2001-2012



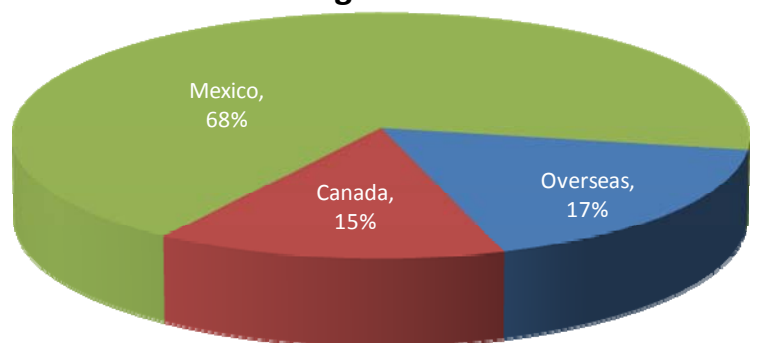
Source: Arizona Travel Impacts, Dean Runyan Associates

2012 Arizona Overnight Visitation



Source: Tourism Economics.; US Dept. of Commerce; Stats Canada; U of Arizona

2012 Arizona Overnight International Visitation

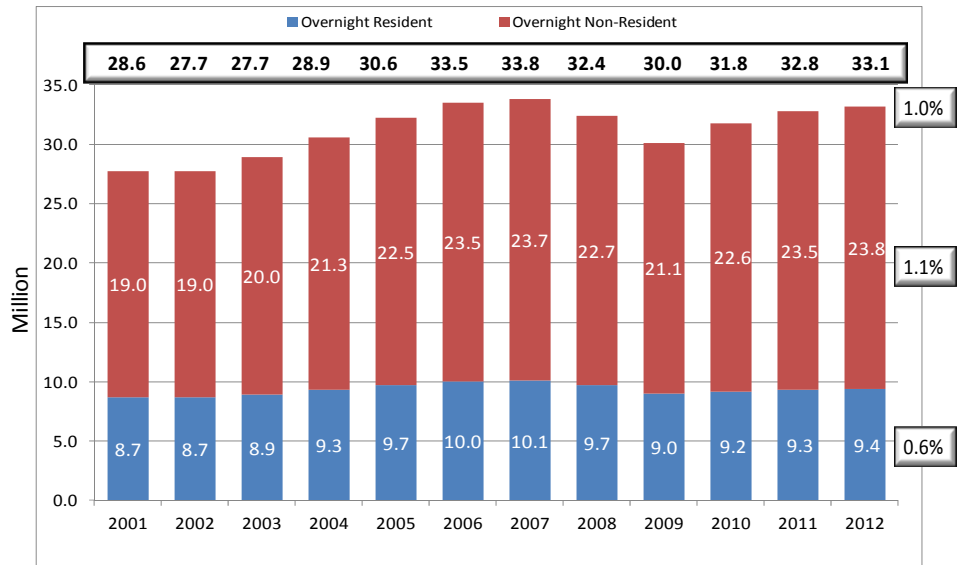


Source: US Department of Commerce; Stats Canada; U of Arizona

2012 Arizona Domestic Overnight Travel

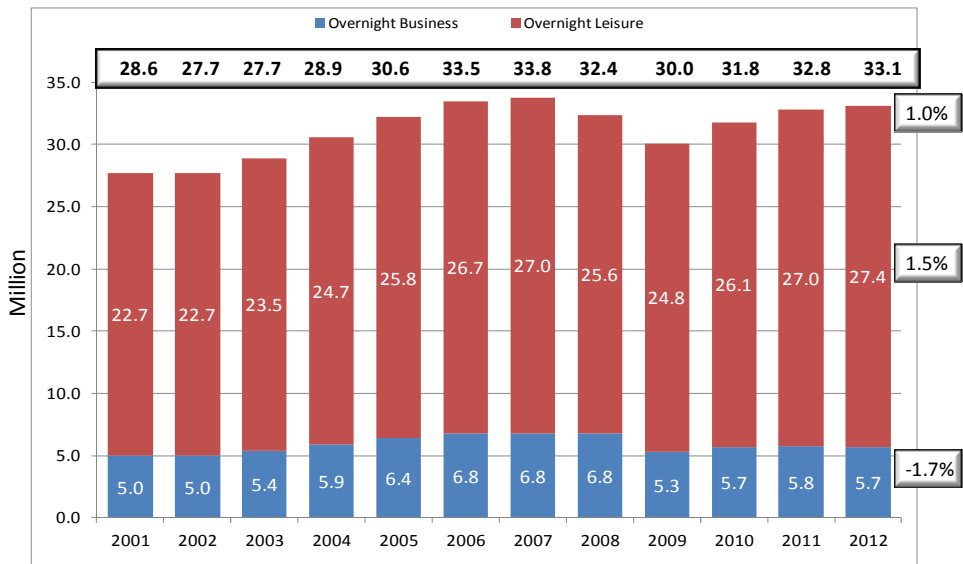
- In 2012, there were 33.1 million Arizona domestic overnight visitors, which is a increase of 1.0 percent.
- The increase in total domestic overnight travel to Arizona was mostly due to a 1.5 percent increase in leisure visitors. These 27.4 million visitors represented 83 percent of all domestic overnight visitation to Arizona in 2012.
- In 2012, the Arizona overnight domestic business travel segment continues to struggle reflecting a -1.7 percent decline over the previous year.
- 28 percent of Arizona's 2012 domestic overnight visitors reside here in Arizona, while another 34 percent reside from the following states: California, Texas, Nevada, New Mexico, Illinois, Florida, Washington, New York and Colorado.

Arizona Domestic Overnight - Non-Resident vs. Residents



Source: Tourism Economics

Arizona Domestic Overnight - Business vs. Leisure



Source: Tourism Economics

2012 Arizona Domestic Overnight Visitors - Non-Residents vs. Residents

- Non-resident visitors to Arizona stay longer on average (4.7 nights) compared to the average 2.5 nights of our resident visitors.
- Average party size for residents and non-residents staying overnight in Arizona is the same at 2.8 persons.
- Visiting friends and relatives is the most common purpose of stay for both residents (40%) and non-residents (45%).
- Non-resident visitors tend to be younger (45.4 years old) and have a higher average household income (\$76,880) compared to resident visitors who are on average 46.6 years old with an average household income of \$63,480.
- While the majority of resident overnight visitors (80%) travel by auto, 24% of non-residents travel by air.
- Q1 (Jan-Mar) is the most visited time period.

	Total Overnight	Overnight Non-Residents	Overnight Residents
Visitors	33.1 million	23.8 million	9.4 million
Average Length of Stay	3.8 nights	4.7 nights	2.5 nights
Average Travel Party Size	2.8 persons	2.8 persons	2.8 persons
Purpose of Stay	43% VFR, 15% Business, 13% Touring, 8% Outdoors	45% VFR, 14% Touring, 15% Business, 7% Special Events, 6% Outdoors	40% VFR, 14% Business, 12% Outdoors, 11% Touring, 7% Special Events
Average Age	45.8 years	45.4 years	46.6 years
Average Household Income	\$72,340	\$76,880	\$63,480
Mode of Transportation	47% Auto, 18% Air, 15% Rented Auto	35% Auto, 24% Air, 19% Rented Auto	80% Auto, 4% Bus, 3% Camper/RV, 4% Rented Auto
Accommodations	70% Paid 30% Non-Paid	72% Paid 28% Non-Paid	63% Paid 37% Non-Paid
Trip Expenditures (excluding transportation to destination)	\$623	\$792	\$342
Trip Quarter	28% Q1, 24% Q2	28% Q1, 25% Q2, 24% Q4	29% Q1, 25% Q3

Source: Tourism Economics, Longwoods International

2012 Arizona Domestic Overnight Visitors - Leisure vs. Business

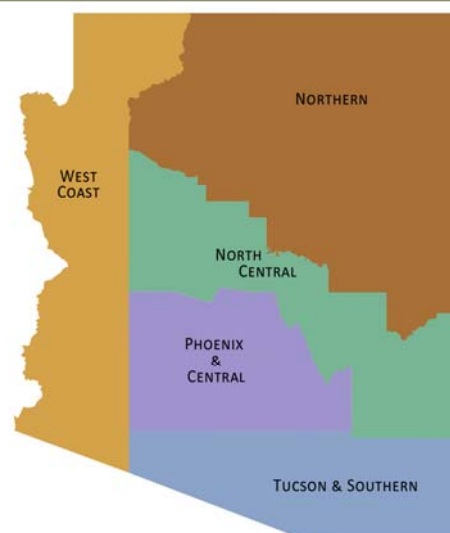
- Leisure visitors to Arizona tend to stay longer (3.9 nights) compared to business visitors who stay an average of 3.4 nights in Arizona.
- Leisure visitors have an average travel party size of 2.9 persons compared to business visitors with 2.0 persons in their travel party.
- The majority of overnight leisure visitors (51%) are in Arizona to visit friends and relatives. Touring, outdoor activities, and special events are other top reasons for visiting the state.
- Business visitors have an average age of 46.8 years, which is older than leisure visitors who have an average age of 45.5 years.
- Nearly half of overnight leisure visitors and 34 percent of overnight business visitors use their own auto to travel. More business travelers (29%) fly compared to leisure travelers (17%).
- The average spending for overnight leisure visitors is \$609 compared to \$668 for business travelers.

	Total Overnight	Overnight Leisure	Overnight Business
Visitors	33.1 million	27.4 million	5.7 million
Average Length of Stay	3.8 nights	3.9 nights	3.4 nights
Average Travel Party Size	2.8 persons	2.9 persons	2.0 persons
Purpose of Stay	43% VFR, 15% Business, 13% Touring, 8% Outdoors	51% VFR, 15% Touring, 9% Outdoors, 8% Special Event	69% General Business 31% Conference/ Convention
Average Age	45.8 years	45.5 years	46.8 years
Average Household Income	\$72,340	\$70,520	\$86,020
Mode of Transportation	47% Auto, 18% Air, 15% Rented Auto	49% Auto, 17% Air, 14% Rented Auto	34% Auto, 29% Air, 20% Rented Auto
Accommodations	70% Paid 30% Non-Paid	67% Paid 33% Non-Paid	87% Paid 13% Non-Paid
Trip Expenditures (excluding transportation to destination)	\$623	\$609	\$668
Trip Quarter	28% Q1, 24% Q2	28% Q1, 24% Q2 24% Q4	32% Q1, 22% Q2, 25% Q4

Source: Tourism Economics, Longwoods International

2012 Arizona Domestic Overnight Visitors by Region

Domestic Overnight visitation to Arizona's regions varies in terms of visitor demographics, trip timing and origin region. The data shown in the table below provides an analysis of Arizona Domestic Overnight travelers by Arizona Region.



Counties by Region	
North Central	Gila, Graham, Greenlee, and Yavapai
Northern	Apache, Coconino, and Navajo
Phoenix & Central	Maricopa and Pinal
Tucson & Southern	Cochise, Pima, and Santa Cruz
West Coast	La Paz, Mohave, and Yuma

	Total Overnight	North Central Overnight	Northern Overnight	Phoenix & Central Overnight	Tucson & Southern Overnight	West Coast Overnight
Visitors*	33.1 million	4.5 million	5.8 million	16.7 million	7.0 million	4.2 million
Average Length of Stay	3.8 nights	4.1 nights	3.6 nights	4.4 nights	4.6 nights	4.2 nights
Average Travel Party Size	2.8 persons	2.9 persons	3.0 persons	2.5 persons	2.6 persons	3.0 persons
Purpose of Stay	43% VFR, 15% Business, 13% Touring, 8% Outdoors	32% VFR, 26% Touring, 17% Outdoors	33% VFR, 24% Touring, 14% Outdoors	51% VFR, 19% Business, 8% Special Event, 8% Touring	49% VFR, 15% Business, 12% Touring, 8% Special Event	35% VFR, 14% Touring, 14% Outdoors, 12% Business
Average Age	45.8 years	48 years	44.8 years	47.1 years	46.5 years	41.2 years
Average HH Income	\$72,340	\$74,490	\$70,220	\$75,570	\$71,350	\$73,100
Mode of Transportation	47% Auto, 18% Air, 15% Rented Auto	51% Auto, 15% Air, 13% Rented Auto	54% Auto, 15% Rented Auto, 14% Air	45% Auto, 26% Air, 17% Rented Auto	50% Auto, 21% Air, 14% Rented Auto	48% Auto, 12% Rented Auto, 12% Air
Accommodations	70% Paid, 30% Non-Paid	74% Paid, 26% Non-Paid	73% Paid, 27% Non-Paid	60% Paid, 40% Non-Paid	64% Paid, 36% Non-Paid	77% Paid, 23% Non-Paid
Trip Expenditures (excluding transportation to destination)	\$623	\$769	\$587	\$710	\$780	\$803
Trip Quarter	28% Q1, 24% Q2	25% Q1-Q4	29% Q2, 26% Q3	32% Q1, 25% Q4	33% Q1, 25% Q2	27% Q1, 25% Q4
Top Origin DMAs	Phoenix, Los Angeles, Tucson, New York, San Diego, Albuquerque	Phoenix, Los Angeles, Tucson, Albuquerque, Las Vegas	Phoenix, Los Angeles, Tucson, Albuquerque, Las Vegas	Los Angeles, Tucson, Chicago, Albuquerque, SF Bay Area	Phoenix, Los Angeles, SF Bay Area, Seattle, San Diego	Phoenix, Los Angeles, San Diego, New York, Las Vegas

*For

The Economic Impact of Travel in Arizona

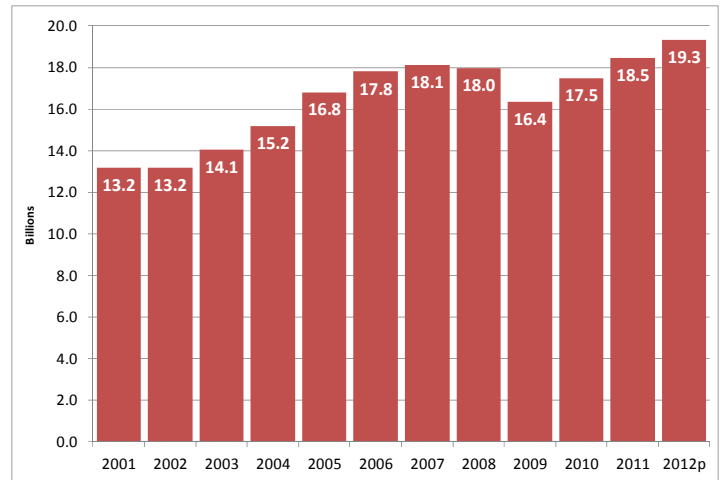
- Travel is an important contributor to the vitality of both the state and local economies. In 2012, total direct travel spending in Arizona was \$19.3 billion, which generated 161,300 direct jobs paying \$5.4 billion in earnings.
- Arizona visitors staying overnight in paid lodging accounted for 45 percent of all visitor spending in 2012.
- Taxes generated by the travel industry are primarily paid by visitors rather than residents. In 2012, 70 percent of the visitor spending in Arizona was by non-Arizona residents. This new money imported into the state economy means the tax revenue generated by travel spending is a net benefit to Arizona residents.

Direct Travel Spending - 2012

SPENDING	\$19.3 B
TAX REVENUE	\$2.628 B
FEDERAL	\$1.051 B
STATE/LOCAL	\$1.578 B

Source: Arizona Travel Impacts, Dean Runyan Associates

Direct Travel Spending 2001-2012



Source: Arizona Travel Impacts, Dean Runyan Associates

Travel Employment - 2012

EMPLOYMENT

Direct	161,300
Secondary	139,000

TOTAL 300,300

DIRECT EMPLOYMENT BY SECTOR

1. Accommodation & Food Services	82,700
2. Arts, Entertainment & Recreation	37,300
3. Retail Trade	16,700
4. Transportation (Air/Ground)	11,200

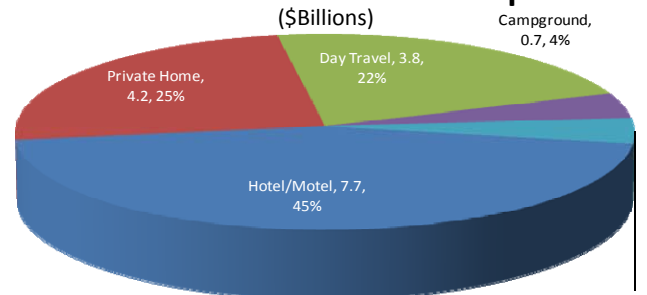
DIRECT PAYROLL \$5.4 B

TOTAL PAYROLL \$11.0 B

Source: Arizona Travel Impacts, Dean Runyan Associates

Visitor Spending by Type of Traveler

Accommodation 2012p



Source: Arizona Travel Impacts, Dean Runyan Associates

Arizona Travel Impacts - 2001-2012p

Year	Spending	Earnings	Employment	Tax Revenues (\$million)		
	(\$billion)	(\$billion)	(thousand)	Local/State	Federal	Total
2001	13.2	3.8	153.2	1,078	788	1,865
2002	13.2	3.8	151.1	1,111	800	1,911
2003	14.1	4.0	154.4	1,176	843	2,019
2004	15.2	4.3	158.5	1,254	917	2,171
2005	16.8	4.6	164.8	1,364	982	2,346
2006	17.8	4.9	168.5	1,424	1,049	2,474
2007	18.1	5.2	168.0	1,459	1,095	2,554
2008	18.0	5.1	165.2	1,444	1,074	2,518
2009	16.4	4.9	156.3	1,364	1,033	2,397
2010	17.5	4.9	154.3	1,421	1,057	2,477
2011	18.5	5.1	157.1	1,529	1,008	2,536
2012p	19.3	5.4	161.3	1,578	1,051	2,628
Annual Average Percentage Change						
11-12p	4.6%	4.2%	2.7%	3.2%	4.3%	3.6%

Source: Arizona Travel Impacts, Dean Runyan Associates

Arizona County Travel Impacts 2012p

County	Spending (\$million)	Earnings (\$million)	Employment (jobs)	Local Taxes (\$million)	State Taxes (\$million)	Total Taxes (\$million)
Apache	127	32	1,590	3.6	5.6	9.1
Cochise	348	75	3,660	10.7	14.3	25
Coconino	1,045	282	10,870	29.7	43.3	73.0
Gila	282	64	2,990	5	11.5	16.5
Graham/Greenlee	77	14	980	1.8	3.4	5.1
La Paz	146	30	1,230	2.9	5.8	8.7
Maricopa	11,533	3,558	86,000	338.5	395.5	733.9
Mohave	536	129	5,950	10.6	21.4	32
Navajo	304	80	3,440	7.9	13.2	21.1
Pima	2,665	577	22,340	50.1	100.4	150.5
Pinal	628	135	5,590	11.7	26.7	38.4
Santa Cruz	271	49	1,960	5.0	10.0	15
Yavapai	699	179	8,090	15.6	28.5	44.1
Yuma	657	153	6,660	14.3	26.2	40.5
Arizona	19,318	5,357	161,340	507.2	705.7	212.9

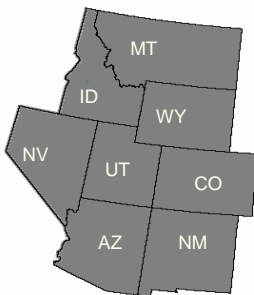
Source: Arizona Travel Impacts, Dean Runyan Associates

* Property taxes and sales taxes paid by travel industry employees not included.

2012 Arizona Lodging

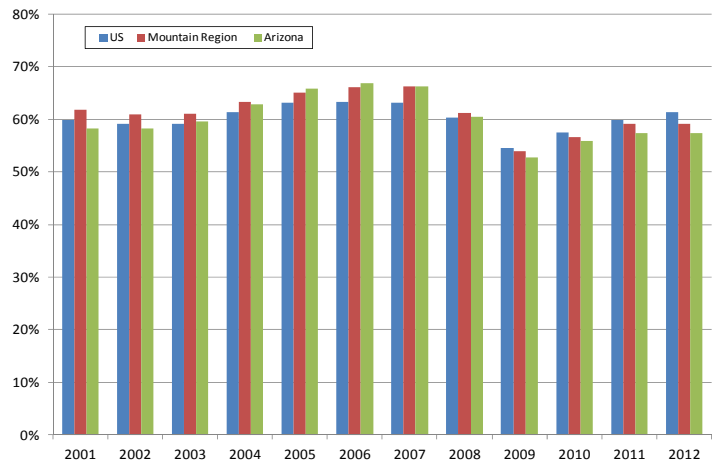
- The performance of the Arizona lodging industry continued to improve from the decline that started due to the recession that started late 2007.
- Arizona's 2012 lodging occupancy rate of 57.5 percent was relatively flat, showing a slight increase of 0.3 percent over 2011. Compared to the U.S., the occupancy rate was 61.4 percent which grew at a faster rate with a 2.5 percent increase over 2011. Meanwhile, the Mountain region's occupancy rate of 59.2 percent trended similarly to Arizona, with a slight increase of 0.2 percent over 2011.
- Looking at Average Daily Rate (ADR), Arizona's ADR increased 1.8 percent over 2011 to \$97.10. Comparatively, the U.S. and Mountain region's ADR both increased at a faster rate at 6.8 percent and 3.6 percent.

Mountain Region States

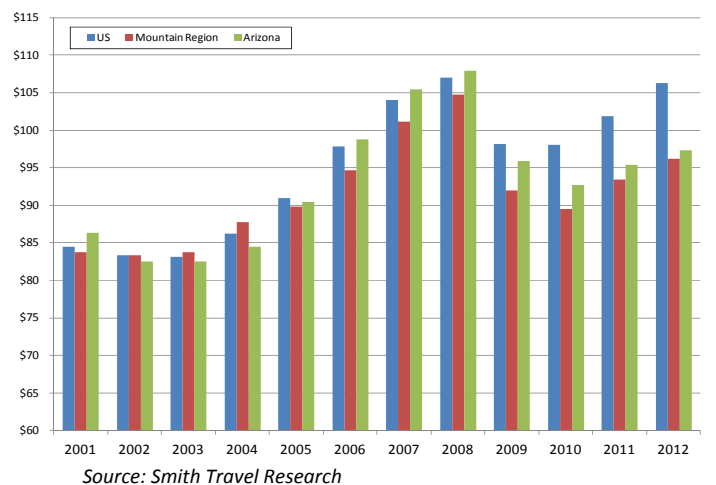


Source: U.S. Census Bureau

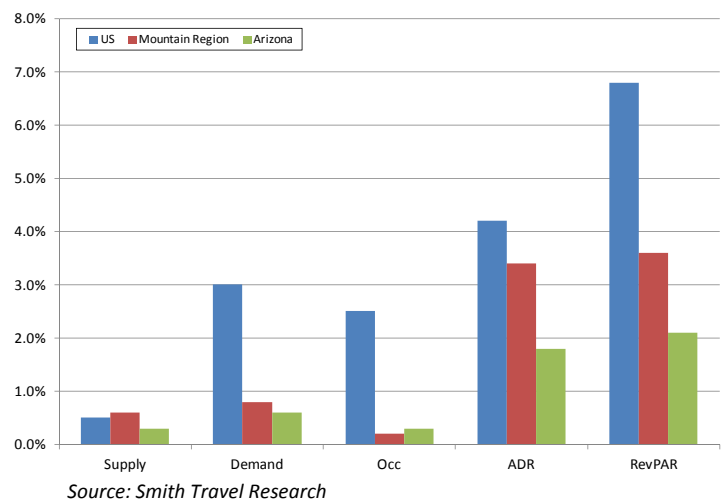
Arizona Occupancy Rates - 2001-2012



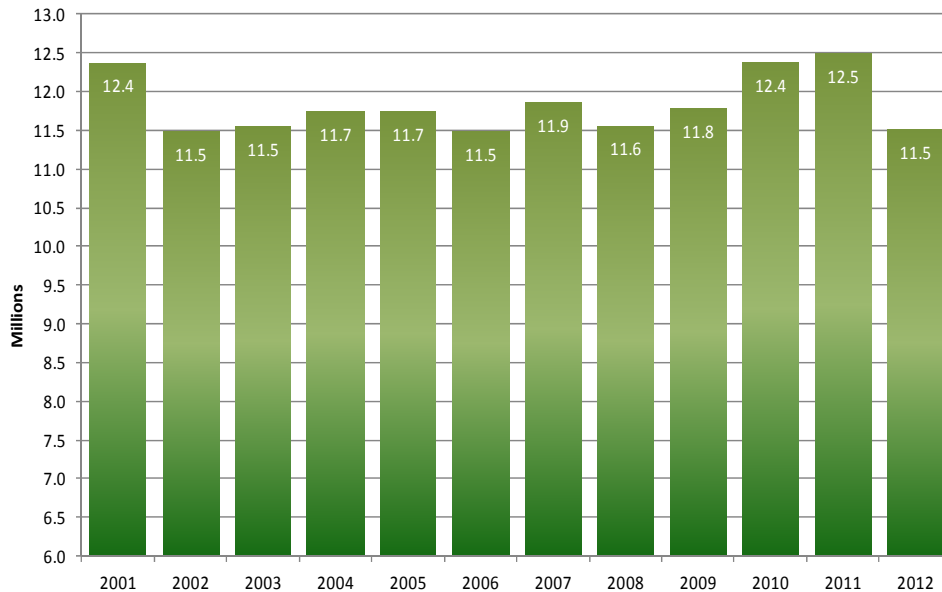
Arizona Average Daily Rate (ADR) - 2001-2012



Arizona Lodging Performance 2012 (% Change)



Arizona National Park Visitation - 2001-2012



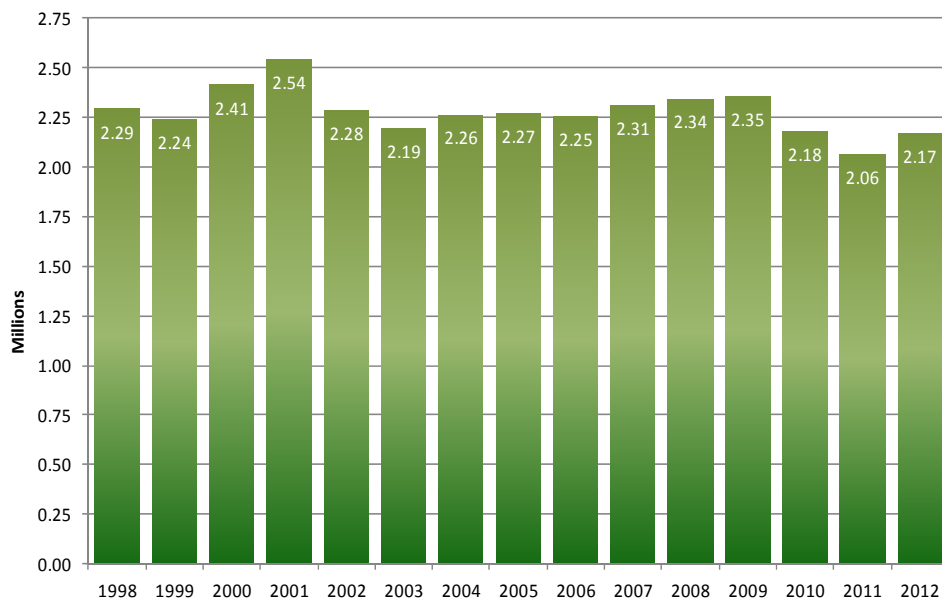
Source: National Park Service

Arizona's National Parks welcomed 11,507,404 visitors in 2012, with a -7.8 percent decline from 2011.

Top Visited National Parks 2012:

1. Grand Canyon NP
2. Glen Canyon NRA
3. Lake Mead NRA
4. Canyon de Chelly NM
5. Petrified Forest NP

Arizona State Park Visitation - 2001-2012



Source: Arizona State Parks

There were 2,170,077 visitors to Arizona's State Parks in 2012 with a decline of 5.2 percent from 2011.

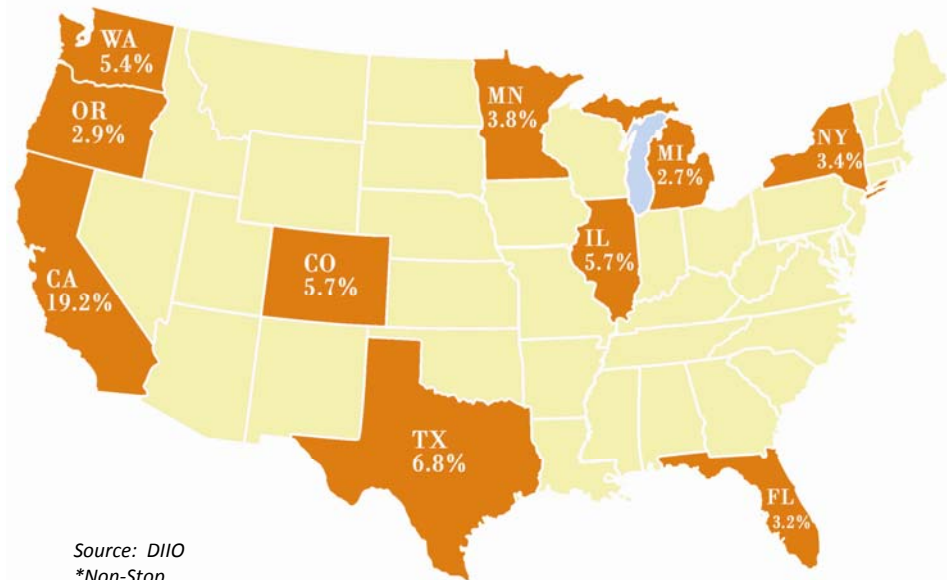
Top Visited Arizona State Parks 2012:

1. Catalina SP
2. Lost Dutchman SP
3. Kartchner Caverns SP
4. Dead Horse Ranch SP
5. Picacho Peak SP

2012 Air Visitors to Arizona

- According to Dean Runyan Associates, over one-half of all travel spending by visitors to Arizona is attributable to visitors that traveled by air.
- 59 percent of Arizona's domestic air visitors come from the top ten origin states, as shown on the right. 19 percent of air visitors come from California, 7 percent from Texas and 6 percent from Illinois.
- Reflecting the current state of the airline industry, in 2012, there were approximately 6.7 million out-of-state visitors to Arizona arriving by air. This number excludes Arizona residents returning home and anyone simply making a connection at an Arizona airport.

**2012 Air Visitors to AZ -
Market Share of Top Origin States***



Out of State Air Visitors to Arizona - 2001-2012*

